Starting a Business

Decision Readiness Checklist

Purpose

Starting a business involves far more than choosing a business name or forming a legal entity.

This checklist is designed to help identify the financial, tax, legal, operational, and personal decisions that deserve consideration before launching a business.

The goal is not perfection.

The goal is ensuring important decisions are made intentionally rather than reactively.

Business Foundation

1. What problem is the business solving?

☐ Customer need identified

☐ Target customer identified

☐ Clear value proposition

☐ Not yet

Questions to consider

☐ Who is your ideal customer?

☐ What problem are you solving?

☐ Why would someone choose your business instead of another?

☐ How does your business create value?

Why it matters

Successful businesses solve meaningful problems.

Everything else supports that mission.

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2. Why are you starting the business?

☐ Additional income

☐ Greater flexibility

☐ Independence

☐ Solving a specific problem

☐ Building a long-term business

☐ Family business

☐ Passion project

☐ Unsure

Why it matters

Your goals influence nearly every decision that follows.

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3. What are you trying to build?

☐ Side business

☐ Lifestyle business

☐ Professional practice

☐ Growth business

☐ Family business

☐ Business to eventually sell

☐ Not sure

Why it matters

Different businesses require different strategies.

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4. Have you chosen a legal business structure?

☐ Sole Proprietorship

☐ LLC

☐ Partnership

☐ Corporation

☐ S Corporation election being considered

☐ Unsure

Why it matters

Your legal structure affects taxes, liability, administration, and future planning.

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5. Have you selected a business name?

☐ Yes

☐ No

Questions to consider

☐ Is the name available?

☐ Does it fit your long-term vision?

☐ Is an appropriate website domain available?

Why it matters

Changing names later can be expensive and confusing.

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6. Do you know how you will find your first customer?

☐ Yes

☐ Maybe

☐ Not yet

Why it matters

Customers create revenue.

Revenue solves many business problems.

Operations

7. Have you completed the registrations required to operate your business?

☐ Business entity registered (if applicable)

☐ Tax registrations completed

☐ Employer identification number (EIN) obtained (if applicable)

☐ Not yet

Why it matters

Registration requirements vary depending on your location, entity type, and business activities.

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8. Have you obtained any required licenses or permits?

☐ Local licenses

☐ State or provincial licenses

☐ Industry-specific licenses

☐ Professional licenses

☐ Not sure

Why it matters

Licensing requirements vary by industry and location.

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9. Have you reviewed your business tax obligations?

☐ Income taxes

☐ Self-employment taxes

☐ Sales or value-added taxes (if applicable)

☐ Payroll taxes

☐ Other business taxes

☐ Not reviewed

Why it matters

Tax obligations vary by jurisdiction, business structure, and industry.

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10. Do you have a separate business bank account?

☐ Yes

☐ No

Why it matters

Separating business and personal finances improves bookkeeping, decision-making, and liability protection.

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11. Have you established a bookkeeping system?

☐ Accounting software

☐ Spreadsheet

☐ Professional bookkeeper

☐ Not yet

Why it matters

Good decisions require accurate financial information.

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12. Do you know how you will get paid?

☐ Invoicing

☐ Credit card processing

☐ Online payments

☐ Subscription billing

☐ Point-of-sale system

☐ Not decided

Why it matters

Cash flow is often the first major challenge for new businesses.

Financial Readiness

13. Have you estimated your startup costs?

☐ Equipment

☐ Software

☐ Marketing

☐ Insurance

☐ Professional services

☐ Working capital

☐ Other startup costs

Why it matters

Most businesses require more capital than originally expected.

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14. Do you have financial reserves?

☐ Personal emergency fund

☐ Business cash reserve

☐ Both

☐ Neither

Why it matters

Business income is often unpredictable during the early years.

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15. Have you planned for taxes and retirement?

☐ Estimated taxes

☐ Payroll taxes (if applicable)

☐ Retirement plan options reviewed

☐ Not yet

Why it matters

Planning early can reduce surprises and create valuable long-term opportunities.

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16. Have you reviewed your insurance needs?

☐ General liability

☐ Professional liability

☐ Property coverage

☐ Cyber coverage

☐ Workers' compensation (if applicable)

☐ Not reviewed

Why it matters

Insurance helps protect the business from unexpected events.

Personal Readiness

17. Have you reviewed your personal financial situation?

☐ Emergency fund established

☐ High-interest debt under control

☐ Household cash flow reviewed

☐ Family support discussed

Why it matters

Business stress often becomes personal stress.

Strong businesses are easier to build on stable personal foundations.

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18. Will you hire employees or engage independent contractors?

☐ Employees

☐ Independent contractors

☐ Neither at this time

Why it matters

Hiring people creates additional legal, tax, payroll, and management responsibilities.

Quick Self-Assessment

Strong Foundation

✓ Problem clearly identified

✓ Customer acquisition strategy developed

✓ Business structure selected

✓ Required registrations completed

✓ Separate bank account established

✓ Bookkeeping system in place

✓ Tax obligations understood

✓ Financial reserves available

Needs Attention

✓ Customer acquisition unclear

✓ Bookkeeping system not established

✓ Tax obligations not reviewed

✓ Licensing requirements uncertain

✓ Cash flow plan incomplete

✓ Startup costs not estimated

Professional Guidance May Be Helpful

✓ Multiple owners

✓ Hiring employees

✓ Significant startup investment

✓ Real estate involved

✓ Rapid growth expected

✓ Uncertain entity selection

Potential Next Steps

☐ Clarify your business model

☐ Identify your first customer strategy

☐ Select an appropriate legal structure

☐ Complete required registrations

☐ Obtain necessary licenses and permits

☐ Open a business bank account

☐ Implement a bookkeeping system

☐ Review business tax obligations

☐ Evaluate retirement planning opportunities

☐ Review insurance needs

☐ Schedule a Business Startup Review

Final Question

Imagine your first customer contacts you tomorrow.

Would you know:

• how to serve them?

• how to invoice them?

• how to collect payment?

• how to track income and expenses?

• what your next step would be?

If the answer is anything less than a confident "yes," the next step may not be launching the business.

The next step may be building the foundation that allows the business to succeed.

Disclaimer

This Checklist is intended for educational and planning purposes only. It is not legal, tax, accounting, investment, or financial advice.

Every situation is unique. Tax laws, business circumstances, and state requirements vary. Before making significant business, tax, or financial decisions, consult with your professional advisors regarding your specific situation.

Use this Checklist as a framework for thoughtful decision-making, not as a substitute for professional advice.

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